



Board Report

File #: 2023-0285, File Type: Agreement

Agenda Number: 12.

PLANNING AND PROGRAMMING COMMITTEE JULY 19, 2023

SUBJECT: SCAG CTC PARTNERSHIP PROGRAM GRANT AWARDS

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer (CEO) or their designee to execute an agreement with the Southern California Association of Governments to claim funds awarded in the amount of \$41,279,497 through the County Transportation Commission Partnership Program; and
- B. AUTHORIZING the CEO or their designee to negotiate and execute pass-through agreements with the agencies who will implement projects awarded through the County Transportation Commission Partnership Program

ISSUE

On May 9, 2023, Metro staff submitted applications to the Southern California Association of Governments (SCAG) County Transportation Commission (CTC) Partnership Program for Metro-led and Metro-partnered transportation plans, programs, and infrastructure projects. The SCAG Regional Council approved awards on July 6, 2023. The Program guidelines require that Metro enter into an agreement with SCAG prior to initiating reimbursable work on awarded projects. In addition, agreements are necessary for Metro to pass through funds to the external agencies who will implement awarded projects.

BACKGROUND

The 2021 Regional Early Action Planning Grants Program (REAP) established by AB 140, funded from the State General Fund, and administered by the California Department of Housing and Community Development provides funds for planning and implementation activities within infill areas that have significant geographic or regionwide benefit towards three objectives:

1. Accelerate infill development that facilitates housing supply, choice, and affordability
2. Affirmatively further fair housing

3. Reduce vehicle miles traveled (VMT)

The 2021 REAP sets aside 85 percent of funds for direct allocation to Metropolitan Planning Organizations (MPOs). SCAG received \$246 million and designated \$80 million for the CTC Partnership Program (Program). The six CTCs in the SCAG region are the only eligible applicants, however, CTCs can submit applications in partnership with stakeholders such as Councils of Governments (COGs). The Program guidelines require that funded projects not only meet the state's 2021 REAP objectives and eligibilities but also align with the Key Connection Strategies in SCAG's 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) which focus on innovative policies and/or technologies together with expanded mobility offerings to realize regional planning goals.

SCAG opened the Call for Applications on April 12, 2023 with an application deadline of May 9, 2023. Metro submitted 11 applications for Metro-led and Metro-partnered (COG-led) planning, program, and infrastructure projects. On July 6, 2023, the SCAG Regional Council approved awards totaling \$41.3 million for ten projects in Los Angeles County. This total includes \$31.9 million for six Metro-led projects and \$9.3 million for four COG-led projects. A list of funded projects is shown in Attachment A.

DISCUSSION

The Program is an opportunity to advance innovative, multimodal, and shovel-ready transportation planning and implementation activities. The funded projects meet the Program's objectives and eligibility criteria as outlined in Attachment B, and importantly, are expected to be complete by the Program's deadline of December 31, 2025. To meet the Program's firm project completion deadline, Metro must execute an agreement with SCAG that establishes the projects and activities that may be reimbursed. SCAG will not reimburse costs prior to the execution of the agreement.

Although CTCs like Metro are the only eligible applicants for the Program, Metro staff aimed to meet the Program's collaborative and partnership goals by working with interested COGs to identify projects for this opportunity. Metro staff met with each COG applicant to explain roles and responsibilities for the application process and grant administration activities associated with Program funds. Metro submitted the COG projects as a partnership between Metro and the respective COG, however, SCAG will not enter into agreements with any other parties besides the eligible applicant. Therefore, Metro must enter into separate agreements with COGs to establish the terms for passing through the Program funds for the COG-led projects. Entering into these agreements expediently is also necessary to ensure the COG-led projects can meet the project completion deadline.

DETERMINATION OF SAFETY IMPACT

This Board action will not have any adverse safety impacts on Metro's employees or patrons.

FINANCIAL IMPACT

Adoption of the recommendations would allow Metro to take actions to secure \$41.3 million for Metro and subregional projects. Since the Program operates on a reimbursement basis, the cost centers

implementing the Metro projects will be responsible for budgeting the costs in future years. Subregional project costs will be budgeted by the respective subregion.

Impact to Budget

The fund source is 2021 REAP funds distributed by SCAG through the CTC Partnership Program. These funds are not eligible for Metro's bus and rail operating expenditures.

EQUITY PLATFORM

The Board action will help secure funding from a program that is intended to advance transit and other multimodal plans, programs, and infrastructure improvements within and for lower resourced communities, areas of concentrated poverty, historically disadvantaged communities, and/or areas with lost or reduced service. Metro staff selected projects for application and SCAG selected projects for funding in accordance with the Program objectives and requirements.

The Program guidelines require that funded projects meet all three 2021 REAP objectives: accelerating infill development that facilitates housing supply, choice, and affordability; affirmatively furthering fair housing; and reducing VMT. In addition, projects must satisfy location criteria associated with each objective such as: areas with transit supportive densities, lower resources coupled with measures to promote equitable quality of life and access to opportunities and Disadvantaged and Historically Underserved communities. The 2021 REAP defines Disadvantaged and Historically Underserved Communities as including concentrated areas of poverty; areas of high segregation and poverty and areas of low to moderate access to opportunity per the state's Opportunity Area Maps; Communities of Concern, Disadvantaged Communities, and Low Income Communities per SB 535 and AB 1550; areas of high housing cost burdens; areas with high vulnerability of displacement; areas related to Tribal Entities, and other areas experiencing disproportionate impacts of California's housing and climate crisis. Metro staff evaluated all projects for application on these objectives and criteria aided by the Indicator Mapping Tool developed by SCAG to identify whether project locations are consistent with 2021 REAP and SCAG objectives. Nearly all Metro Equity Focus Communities (EFCs) overlap with one or more of the indicators included in SCAG's mapping tool. All 11 projects that Metro submitted will serve EFCs as they are either fully or partially located within EFCs and create connections, services, or programs that target or provide disproportionate benefit to EFCs residents. Each project sponsor was required to describe how it would advance equity by benefiting disadvantaged and historically underserved communities, discuss existing and planned partnership and stakeholder engagement in project development and throughout the project lifecycle, identify location criteria satisfied by the project, and propose metrics for tracking the performance of the project in each of the three 2021 REAP objectives. SCAG evaluated and ranked projects based on responses to these application questions.

The projects' outcomes and desired impacts will be measured and shared through regular and annual progress reports as required by SCAG's Program guidelines.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of these recommendations will support the following Strategic Plan Goals:

Goal 3: Enhance communities and lives through mobility and access to opportunity by securing funding that will conduct planning, create and enhance programs, and build infrastructure that accelerate infill development that facilitates housing supply, choice, and affordability, affirmatively further fair housing, and reduce VMT.

Goal 4: Transform LA County through regional collaboration and national leadership by facilitating partnerships to deliver transportation projects with significant geographic or regionwide benefit.

ALTERNATIVES CONSIDERED

The Board may choose not to approve one or both of the recommended actions. Staff does not recommend this alternative because Metro and our subregional partner agencies cannot be reimbursed for work on awarded projects without an executed agreement with SCAG. Metro could lose out on receiving \$41.3 million targeted to improve mobility and increase access to opportunity. The Board may also choose to delay approval of one or both of the recommended actions until a later date. Staff does not recommend this alternative because beginning reimbursable work as soon as possible upon agreement execution is necessary to ensure projects are completed by the December 31, 2025 deadline.

NEXT STEPS

Upon Board approval of these recommendations, Metro staff will work with SCAG and COG staff to enter into agreements.

ATTACHMENTS

Attachment A - CTC Partnership Program Awards

Attachment B - Objectives and Eligibility Criteria

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